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DISTRICT 29

Arizona House of Representatives Phoenix, Arizona 85007

COMMITTEES:
GOVERNMENT
HEALTH & HUMAN SERVICES,
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TRANSPORTATION &
INFRASTRUCTURE

April 25, 2023

<u>Via Email and U.S. Mail</u> Hon. Kris Mayes Arizona Attorney General 2005 North Central Avenue Phoenix, Arizona 85004

Re: Withdrawal of Request for Investigation Pursuant to A.R.S. § 41-194.01

Attorney General Mayes:

Based on information and written assurances I have received within the last 24 hours, I hereby withdraw my request for an investigation of the City of Tempe's Ordinance No. O2022.56, Ordinance No. O2022.57, Resolution No. R2022.170, and § 12.9 and § 17 of the Development and Disposition Agreement ("Agreement") between the City and Bluebird Development LLC ("Bluebird").

First, Bluebird has stated in writing that it made an independent and unsolicited decision to refer Propositions 301, 302, and 303 to the ballot for Tempe voters' approval.

Second, I have received written confirmation from the City's legal counsel that the City does not intend to enforce the funding provision (section 17) of the Agreement and that the parties intend to rely on the severability clause (section 18.2), which states that if any provision is invalid or unenforceable, the provision does not affect other provisions of the Agreement. The City has also confirmed that, despite section 17 of the Agreement, the City will incur all expenses associated with its Special Election and that Bluebird has not provided the City with election-related funds.

It is troubling to me that the City realized last week—without notifying voters or the general public—that section 17 of its Agreement is unlawful because A.R.S. § 16-407.01 prohibits the City from accepting private monies to administer the Special Election. Yet this information did not come to light until I submitted my request for an investigation questioning the legality of section 17.

Although the legal concerns that prompted my request for an S.B. 1487 investigation have been resolved, I asked the City to provide Tempe voters with notice of its intent not to enforce section 17. The City posted that information to its website this afternoon.

Please let me know if you need any additional information to process the withdrawal of my request for an S.B. 1487 investigation. Thank you for your time and attention to this matter.

Respectfully,

Steve Montenegro Legislative District 29